

July 21, 2017

The Honorable Roy Cooper
Governor, State of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Dear Governor Cooper:

On behalf of over 7.5 million North Carolinians that Duke Energy serves and over 15,000 of our employees in the state, I respectfully request your continued support of HB 589-Competitive Energy Solutions for North Carolina.

The legislation is the outcome of more than 10 months of work involving at least 30 meetings of a large group of diverse energy stakeholders. While I recognize that the addition of an 18-month wind moratorium was not part of the original stakeholder package, the legislation still provides significant benefits to the state and to Duke Energy's customers, saving them an estimated \$850 million over the next decade.

The bill provides a variety of program options that make solar energy more attractive, accessible and affordable for more customers—while maintaining the safety and reliability of the grid our customers rely on to power their lives and businesses. It provides residential, commercial, industrial, military, and higher education customers more solutions to meet their evolving energy needs. It also sets forth a balanced, market-driven competitive procurement approach that will keep North Carolina at the forefront of building a smarter energy future.

Currently, North Carolina accounts for 60 percent of all solar projects initiated under the Public Utility Regulatory Policies Act ("PURPA")—a law enacted almost 40 years ago mandating that utilities purchase power from renewable resources. That is more PURPA power generation than 46 other states combined. Stakeholders agreed that steps needed to be taken to address this current imbalance and make North Carolina more competitive. Agreement among the stakeholder group was difficult and may not be possible again if the bill is not adopted.

At Duke Energy, we believe in the benefits of solar energy as an important renewable resource. Along with solar generation projects that are already in

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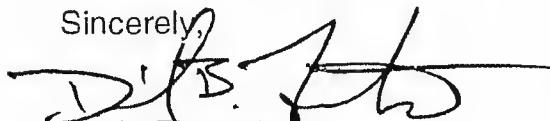
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operation or under construction, House Bill 589 will help sustain the momentum of solar development in the state by enabling over 8,500 megawatts of solar power by 2024. That is more than the equivalent of eight nuclear power plants.

Duke Energy participated in the 2006-2007 stakeholder group that negotiated SB 3-Promote Renewable Energy that became comprehensive energy law—creating the first renewable portfolio standard (RPS) in the Southeast. Since 2007, Duke Energy has opposed legislative attempts to change Senate Bill 3, unless the entire package is re-opened and approached through the collaborative stakeholder process. As with Senate Bill 3, Duke Energy will oppose legislative changes to House Bill 589 without the consensus of a collaborative stakeholder process.

Thank you for your support of this important bill to date. I respectfully request your continued leadership by signing HB 589-Competitive Energy Solutions for North Carolina into law.

Sincerely,



David Fountain

North Carolina President

Duke Energy